

## Message Text

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43

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 IGA-02 EB-11 AGR-20 COME-00

TRSE-00 CIAE-00 INR-10 NSAE-00 RSC-01 OPIC-12 XMB-07

SP-03 DRC-01 SSO-00 INRE-00 /108 W

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O 071515Z JUN 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC IMMEDIATE 7215

LIMITED OFFICIAL USE SAN JOSE 2170

FOR ARA-LA/CEN/CR -- TAYLOR

E.O. 11652: N/A

TAGS: ETRD, CS, ECON

SUBJECT: POSSIBLE COSTA RICAN USE OF PL480 COMMODITIES

REF: TAYLOR/LANE TELCON OF JUNE 6, 1974

1. WE BELIEVE USE OF PL 480 TITLE I ASSISTANCE FOR COSTA RICA IS HIGHLY DESIRABLE AND WOULD BE PARTICULARLY EFFECTIVE AND ATTRACTIVE AS EMERGENCY BALANCE OF PAYMENTS ASSISTANCE DIRECTLY RESPONSIVE TO DISLOCATION STEMMING FROM THE PETROLEUM CRISIS. PL480 ASSISTANCE WOULD COMPLEMENT OUR AID RURAL SECTOR LOAN AND COULD HELP INDIRECTLY TO DE-FUSE BANANA TAX ISSUE. IF PROPERLY MANAGED WE DO NOT BELIEVE SUCH ASSISTANCE WOULD HAVE AN ADVERSE IMPACT ON PRODUCTION PATTERNS IN EITHER COSTA RICA OR THE CACM PROVIDED REASONABLE CARE IS TAKEN NOT REPEAT NOT TO DISPLACE SOME PRODUCTS FROM CACM.

2. OUR INITIAL ESTIMATE IS THAT COSTA RICA COULD USE A MINIMUM OF \$15 MILLION FOR WHEAT, CORN, AND PROTEIN SUPPLEMENTS DURING COMING FISCAL YEAR. WE FORESEE NO ABSORPTION PROBLEMS AND THESE PRELIMINARY CALCULATIONS TAKE INTO ACCOUNT ANTICIPATED SUPPLIES OF CORN AND COTTONSEED MEAL FROM NICARAGUA AND SALVADOR. SINCE CONCESSIONALITY OF FINANCING

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WOULD LOWER COST, OVERALL DEMAND COULD INCREASE MAKING

OUR \$15 MILLION ESTIMATE CONSERVATIVE. THIS IS PARTICULARLY SO WITH REGARD TO PROTEIN SUPPLEMENTS. WE WOULD LIKE TO SEE CONSUMPTION, PARTICULARLY OF SOY MEAL, INCREASED SUBSTANTIALLY IN ORDER TO INCREASE AND IMPROVE SWINE AND POULTRY PRODUCTION.

3. ABOVE RECOMMENDATIONS ARE BASED ON OUR ESTIMATES OF NORMAL CALENDAR 1974 NEEDS OF THESE THREE COMMODITIES AS FOLLOWS:

1974 IMPORT ESTIMATES

| COMMODITY           | VOLUME(THOUSAND M.T.) | VALUE |
|---------------------|-----------------------|-------|
|                     | (MILLION DOLLARS)     |       |
| WHEAT               | 77.0                  | 12.3  |
| CORN                | 40.0                  | 4.0   |
| PROTEIN SUPPLEMENTS | 30.0                  | 4.5   |
| TOTAL               | 147.0                 | 20.8  |

ASSUMING NO PL480 DURING THE YEAR, THE U.S. WOULD PROBABLY NORMALLY COMMERCIALY SUPPLY THIS YEAR ALL OF THE WHEAT, MUCH OF THE CORN, BUT ONLY SOME 25-30 PERCENT OF THE PROTEIN SUPPLEMENTS.

LANE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DATA, PL 480 TITLE 1, COMMODITY ASSISTANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** smithrj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974SANJO02170  
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